

Original sponsors: Boyer, Davis,
Ulmer, et al.

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 403 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to insurance coverage for treatment
7 of alcoholism or drug abuse."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 21.36.090(d) is amended to read:

10 (d) Except to the extent necessary to comply with AS 21.42.365,
11 a [A] person may not practice or permit unfair discrimination against
12 a person who provides a service covered under a group disability
13 policy that extends coverage on an expense incurred basis, or under a
14 group service or indemnity type contract issued by a nonprofit corpo-
15 ration, if the service is within the scope of the provider's occupa-
16 tional license. In this subsection, "provider" means a state licensed
17 physician, dentist, osteopath, optometrist, chiropractor, nurse mid-
18 wife, naturopath, physical therapist, or occupational therapist.

19 * Sec. 2. AS 21.42 is amended by adding a new section to read:

20 Sec. 21.42.365. COVERAGE FOR TREATMENT OF ALCOHOLISM OR DRUG
21 ABUSE. (a) An insurer authorized under AS 21.09 to offer, issue for
22 delivery, deliver, or renew a group disability insurance policy for
23 major medical coverage on an expense-incurred basis in the state, or a
24 hospital or medical service corporation authorized under AS 21.87 to
25 offer or renew a subscriber's contract for medical coverage in the
26 state, shall provide the insured or subscriber the following coverage
27 for treatment of alcoholism or drug abuse:

28 (1) benefits of at least \$7,000 over two consecutive bene-
29 fit years; and

1 (2) lifetime benefits of at least \$14,000.

2 (b) The benefits specified in (a)(1) and (2) of this section
3 shall be adjusted yearly, by the director, to correspond with the
4 change in the medical care component of the consumer price index for
5 all urban consumers for the Anchorage Metropolitan Area compiled by
6 the Bureau of Labor Statistics, United States Department of Labor.
7 The base year for the computation shall be the first full calendar
8 year for which insurance is obtained under this section.

9 (c) The insurer or service corporation providing coverage under
10 this section may not

11 (1) require that the insured or subscriber pay a higher
12 deductible or co-payment for the cost of treating alcoholism or drug
13 abuse than for the cost of treating another condition or illness;

14 (2) require prenotification of treatment, require a second
15 opinion, or limit coverage by provisions of the insurance contract
16 that are not applicable to other major illnesses or conditions;

17 (3) limit treatment services under the insurance contract
18 to either an inpatient or outpatient service;

19 (4) exclude from coverage the cost of medically necessary
20 treatment including medical or psychiatric evaluation, activity or
21 family therapy, counseling, or prescription drugs or supplies received
22 at an approved treatment facility; or

23 (5) deny coverage or reimbursement for actual services
24 rendered solely because treatment was interrupted or not completed.

25 (d) In this section

26 (1) "alcoholism or drug abuse" means an illness charac-
27 terized by

28 (A) a physiological or psychological dependency, or
29 both, on alcoholic beverages or controlled substances as defined

1 in AS 11.71.900; or

2 (B) habitual lack of self control in using alcoholic
3 beverages or controlled substances to the extent that the per-
4 son's health is substantially impaired or the person's social or
5 economic function is substantially disrupted;

6 (2) "approved treatment facility" means treatment in a
7 facility that is either approved under AS 47.37.140 or located and
8 licensed for treatment of alcoholism or drug abuse in another state;

9 (3) "co-payment" means the portion of the cost to be paid
10 by the insured or subscriber;

11 (4) "cost" means the lesser of the following:

12 (A) the actual charge for the treatment received for
13 alcoholism or drug abuse; or

14 (B) the usual, customary, and reasonable charge for
15 the treatment;

16 (C) the charge agreed to by contract between the
17 provider and the third party payor;

18 (5) "major medical" means a disability insurance contract
19 or subscriber contract that provides benefits for hospital and medical
20 care with potential lifetime maximum benefits per insured of at least
21 \$10,000;

22 (6) "treatment" means medical care, including detoxifica-
23 tion, as an inpatient or outpatient at an approved treatment facility.

24 * Sec. 3. AS 21.87.340 is amended to read:

25 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the
26 provisions contained or referred to previously in this chapter, the
27 following chapters and provisions of this title also apply with re-
28 spect to service corporations to the extent applicable and not in
29 conflict with the express provisions of this chapter and the

1 reasonable implications of the express provisions, and for the pur-
2 poses of the application the corporations shall be considered to be
3 mutual "insurers":

4 (1) AS 21.03

5 (2) AS 21.06

6 (3) AS 21.09, except AS 21.09.090

7 (4) AS 21.18.010

8 (5) AS 21.18.030

9 (6) AS 21.18.040

10 (7) AS 21.18.120

11 (8) AS 21.21.321

12 (9) AS 21.36

13 (10) AS 21.69.400

14 (11) AS 21.69.520

15 (12) AS 21.69.600, 21.69.620, and 21.69.630

16 (13) AS 21.78

17 (14) AS 21.90

18 (15) AS 21.42.345 - 21.42.365 [AS 21.42.345 AND 21.42.355]

19 (16) AS 21.89.040

20 (17) AS 21.89.060.

21 * Sec. 4. AS 21.42.365, enacted by sec. 2 of this Act, applies to group
22 disability insurance policies and to hospital or medical service subscriber
23 contracts entered into or renewed on or after the effective date of this
24 Act.